



Driving progress
through partnership

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May 24, 2024

By Electronic Mail

Honorable John P. Mastando III
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004

In re: Eletson Holdings Inc., et al., Chapter 11 Case No. 23-10322 (JPM)

Dear Judge Mastando:

As we advised Your Honor we would, we write to update the Court on various developments since our correspondence of May 22, 2024. Since we last wrote, Debtors have continued to work diligently to make substantive edits and revisions to their plan and disclosure statement, and Debtors have engaged in daily discussions with counsel to the Committee in an attempt to make further progress and to resolve open issues. That process will continue with our clients over this weekend and with the Committee on Tuesday, after the holiday.

Debtors continue to believe that their proposed plan, which among other things includes substantial contributions of collections from the arbitration award issued against Levona Holdings from non-Debtor entities (the "Collections Contribution") and other revisions that Debtors have committed to make this week, constitutes the highest and best opportunity for recovery for their legitimate creditors. Debtors look forward to soliciting the approval of their creditors once the plan and disclosure statement have been fully vetted with the Committee. To that end, while this process has taken time, the time taken has been fundamental and necessary to improving creditor outcomes. As such, the Debtors continue to appreciate the Court's indulgence and patience while the process runs its course. To this end, the Debtors also believe it would be wildly inefficient, unnecessarily expensive, and prejudicial for the Original Petitioning Creditors to move forward with their solicitation process without first confirming whether the Debtor's competing plan will also advance to the creditor solicitation stage. That would serve only the ends of Murchinson and its minions, not legitimate creditors.

As disclosed in our communication to Your Honor on May 22, the Debtors have become aware that the Original Petitioning Creditors, funded through Pach Shemen and/or its affiliates, have asserted they intend to "overbid" any plan proposed by the Debtor. The Collections Contributions would not be made in the event Pach Shemen merely "overbids" the new value being contributed from the Debtor's equity holders. In light of this, Debtors have engaged with the Committee regarding how such an "overbid" would be evaluated, in practice, and intend to engage with the Committee on additional discussions regarding the relative value available to creditors under Debtors' proposed plan and the evaluative process.

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Given the multiple moving pieces, Debtors (without burdening Your Honor with letters) intend to continue to provide updates to this Court regarding the status of discussions with the Committee and other parties in interest.

Respectfully,



Louis M. Solomon
cc: All Counsel of Record